

SOUTHWESTERN POWER ADMINISTRATION		PRESS RELEASE	
FOR IMMEDIATE RELEASE:			
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SOUTHWESTERN ANNOUNCES \$17.8 MILLION IN CONTINUING FUND APPORTIONMENT FROM OMB

TULSA, OK – The Administrator of the Department of Energy's (DOE) Southwestern Power Administration (Southwestern) today announced a new \$17.8 million Continuing Fund apportionment for Southwestern. This brings the total apportionment provided to Southwestern to \$46.7 million so far this fiscal year through Southwestern's Continuing Fund.

"This funding will allow us to continue to purchase electric power from the wholesale markets, and continue to bring reliable, affordable electricity to millions of Americans throughout the Southwest," Administrator Mike Deihl said. "As this year's severe drought continues, we unfortunately are not able to produce the amounts of hydropower needed by this region. So we appreciate the recent efforts of the Office of Management and Budget (OMB) and DOE to work with us to provide funding to allow for the continued purchase of power. We also very much appreciate the cooperation of our customers who are participating in Southwestern's voluntary deferral program. The cooperation and assistance from these customers, and from OMB and DOE, should enable us to get through this difficult period."

The present provisions of the Continuing Fund were established by Congress in 1989 to provide Southwestern with funding to purchase electricity during periods when drought conditions reduce the amount of available hydroelectric power. Prior to the current fiscal year, Southwestern has used the Continuing Fund four times since the 1989 provisions were established, for a total of approximately \$7 million.

However, due to the continuation of the severe drought conditions in the area this year, Southwestern has requested, and OMB has apportioned, more than \$28

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million since the beginning of the current fiscal year (October 1, 2005). With the additional apportionment announced today, the total funding provided to Southwestern through the Continuing Fund since October 2005 is in excess of \$46 million.

Southwestern will continue to work with OMB, DOE, and its customers to ensure that electric reliability in the region is maintained.

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Southwestern Power Administration is an agency of the U.S. Department of Energy that markets hydroelectric power in Arkansas, Kansas, Louisiana, Missouri, Oklahoma, and Texas from 24 U.S. Army Corps of Engineers multipurpose dams. Its headquarters are in Tulsa, Oklahoma, and field offices are located in Gore, Oklahoma; Jonesboro, Arkansas; and Springfield, Missouri. Its mission is to market and reliably deliver Federal hydroelectric power with preference to public bodies and cooperatives. This is accomplished by maximizing the use of Federal assets to repay the Federal investment and participating with other water resource users in an effort to balance their diverse interests with power needs within broad parameters set by the U.S. Army Corps of Engineers, and implementing public policy.